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Office Memorandum • UNITED STATES GOVERNMENT

TO : Mr. Pahl, GAO

DATE: 13 April 1960

FROM : Chief, Audit Staff

SUBJECT: Audit of Agency Procurement Activities

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See less. I saw just, in
process of writing
Attached

1. We recently completed the annual audit of Agency procurement activities and are now in the process of writing an audit report. The audit was conducted in accordance with the Audit Program for Procurement Activities and included:

- a. A general review of Agency procurement authorities, policies and practices as of 31 January 1960.
- b. A review and evaluation of procurement procedures and controls. The extent of this review was curtailed somewhat to avoid duplication of effort, because a survey of the Procurement Division was recently completed by the Management Staff (final report not yet issued).
- c. A detailed examination in accordance with the audit program of selected procurement actions effected by the Procurement Division during the period from 1 April 1958 to 30 September 1959. The principal purposes of this examination were as follows:
 - (1) Determine the extent of conformance with applicable laws, Government policies, and Agency regulations.
 - (2) Determine the adequacy and propriety of contract approvals, justifications, and required determinations and findings.
 - (3) Ascertain whether individual contracts and purchases were executed in a sound and business-like manner and in the best interests of the Government.
 - (4) Determine the existence and adequacy of required documentation.
 - (5) Ascertain that payment and settlement were made properly and promptly.
- d. An audit of revolving and imprest funds within the Procurement Division.
- e. An examination of allotment records and controls pertaining to the direct and stock procurement accounts administered by the Office of Logistics.

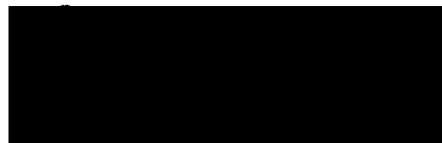
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REV	38	TYPE	91		
JUST	22	NEXT REV	2011	AUTH:	HR 70-2

- 2 -

- f. An audit of General Ledger Account 362 - Funds Withheld Under Commercial Contracts.
- g. A review and evaluation of procurement effected by components outside the Office of Logistics except for certain highly sensitive procurement by some elements of the Clandestine Services.

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*"Internal" audit
restricted, too.*

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1. per [redacted] no significant deficiencies noted since review.
2. Audit performed by 4-man staff permanently assigned to audits of property.
3. Report on this audit being drafted now. General [redacted] will review report when finished to determine whether can be securely made available to GAO.

4/14/60